ACCESS SERVICE
CHECK SHEET

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33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer

33.29.1 General Description

Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Contract Offer No. 29) is an access discount plan that provides Customers with Incentive Discounts and Portability Incentives (as defined in Section 33.29.4) in accordance with the terms and conditions as set forth in this Section 33.29.3.

33.29.2 Services Available For WAMS-VIP Offer

(A) Contract Offer No. 29 applies to qualified access services contained in Pacific Bell Telephone Company Tariff F.C.C. No. 1 (Qualified Access Services), listed in Table A below:

Table A

Service	General Basic Description	Rates and Charges	
High Capacity Service	7.2.9	7.5.9	31.5.2.7
OC-192 Dedicated SONET Ring Service	30.1	30.4	31.5.2.12
Broadband Circuit Service (BCS)	20.1	20.3	31.5.2.11
Fiber Advantage Service	7.2.9	7.5.9	31.5.2.7
Optical Carrier Network (OCN) Point-to-Point Service	32.1	32.3	31.5.2.13
SONET Ring And Access Service (SRAS)	7.2.11	7.5.13	31.5.2.7
Gigabit Ethernet Metropolitan Area Network (GigaMAN)	7.2.12	7.5.14	31.5.2.14
Multi-service Optical Network (MON) Ring Service	8.1	8.4	31.5.2.15

(B) When additional Qualified Access Services are added to the services available under F.C.C. No. 1, all billed, recurring revenues for such additional Qualified Access Services will be added to this Contract Offer No. 29 for the purposes of calculating the Incentive Discounts and Portability Incentives included in this Contract Offer No. 29. (N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.2 Services Available Under WAMS-VIP Offer (Cont'd)

(C) All terms and conditions for the Qualified Access Services are governed by the respective tariff sections, except as noted in this Contract Offer No. 29.

33.29.3 WAMS-VIP Offer Terms and Conditions

The following terms and conditions apply to Contract Offer No. 29:

(A) Eligibility Criteria

(1) The Qualified Access Services must be located within the "Operating Territory" of the Telephone Company, as described in F.C.C. No. 1, Section 14 (Operating Territory);

(2) Incentive Discounts earned by the Customer under Contract Offer No. 29 shall be applied in the form of a credit to the Customer's bill(s) for Qualified Access Services, located in the following MSAs where Telephone Company has been granted pricing flexibility:

Bakersfield, Fresno, Los Angels/Long Beach, Modesto, Oxnard-Ventura, Sacramento, San Diego, San Francisco/Oakland, San Jose, Santa Rosa, and Stockton California;

(3) Customer must renew thirteen (13) existing OC-48 SONET Ring and Access Service (SRAS), as described in Section 33.29.4(C); and

(4) All traffic on the Qualified Access Service(s) must originate or terminate on a wireless carrier's network. (N)

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.3 WAMS-VIP Offer Terms and Conditions (Cont'd)

(B) Terms and Conditions

(1) Revenue commitments are based on billed, recurring charges for the Qualified Access Services and specifically exclude any non-recurring charges and Incentive Discounts earned under this Contract Offer No. 29;

(2) Customer must maintain a Baseline Minimum Annual Revenue Commitment of $27,500,000 (Baseline MARC) for Qualified Access Services;

(3) Contract Offer No. 29 Incentive Discounts and Portability Incentives are in addition to, and do not alter, any of the existing service discount/term plans available in the Telephone Company's respective tariffs; except that billed, recurring revenues that are discounted under Contract Offer No. 29 are not eligible under the Managed Value Plan (MVP) offered in F.C.C. No. 1, Section 22, nor are billed, recurring revenues under MVP eligible for discounts under this Contract Offer No. 29;

(4) The Telephone Company reserves the right to change rates for Qualified Access Services included under Contract Offer No. 29. In the event such rate modifications are made no change will be made to the Baseline MARC;

(5) Qualified Access Services are subject to certain rates, charges and general terms and conditions in other sections of F.C.C. Tariff No. 1 (Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, and 13-Additional Engineering, Additional Labor & Miscellaneous Services) and such terms and conditions may be modified through the filing of tariff changes at any time during the Term Period. Such tariff modifications will not change the terms and conditions described in Contract Offer No. 29;

(6) This Contract Offer No. 29 is available October 9, 2004 through November 9, 2004;

(N)

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.3 WAMS-VIP Offer Terms and Conditions (Cont'd)

(B) Terms and Conditions (Cont'd)

(7) The Customer must meet the criteria described for Incentive Discounts and Portability Incentives, as provided in Section 33.29.4; and

(8) To subscribe to Contract Offer No. 29, the Customer must submit a Letter of Subscription (LOS) to the Telephone Company. The LOS shall contain the effective date ("Effective Date") and the Access Customer's Name Abbreviation(s) (ACNA) and must be signed by the Customer and the Telephone Company's representative.

(C) Term Period

The contract term (Term Period) is eighty-four (84) months commencing on the Effective Date. Each twelve (12) month period beginning with the Effective Date shall be a Term Year. At the end of the Term Period, the Incentive Discounts and Portability Incentives provided in this Contract Offer No. 29 shall be discontinued. This offer is not renewable. (N)

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.4 WAMS-VIP Offer Incentive Discounts

Customer will be eligible for the following Incentive Discounts and/or Portability Incentives (collectively "Incentives") under Contract Offer No. 29 during each of the Term Years:

Incentive Discount Commitment Credit (IDCC),
Incentive Discount for SONET Services – (SONET-ID),
Incentive Discount for WinBack Services (WinBack Incentive), and
Portability Incentive for DS3s (Portability Incentive).

(A) Incentive Discount Commitment
In order to qualify for the IDCC and Portability Incentives, Customer must maintain the "Incentive Discount Commitment" (IDC):

(1) Establishment of the IDC

(a) For Term Year one (1) the Customer's IDC will equal the Baseline MARC.

(b) Unless and until Customer elects to increase the IDC, as provided in Section 33.29.4(A)(1)(c), the IDC during Term Years two (2) through seven (7) shall remain the Baseline MARC.

(c) Customer may elect, by providing written notice to Telephone Company, to increase the IDC. Customer shall notify the Telephone Company of the new IDC Level, as provided in Table B in Section 33.29.4(B). The Customer may increase the IDC Level only; the IDC Level may not be decreased. An IDC Level may be increased effective at the beginning of each Term Year, after the first Term Year, and after the first six (6) months of each Term Year (New IDC Date). Each time Customer chooses a new IDC Level, the corresponding IDC and IDCC shall apply as of the New IDC Date and for the remainder of the Term Period, unless Customer further increases the IDC as provided in this section.

(2) Application of Incentive Discount Commitment
If during the Annual True-Up, as defined in Section 33.29.5(A), the Customer's Achieved Revenue Amount meets or exceeds the IDC, the Telephone Company will apply the IDCC and Portability Incentives for the following Term Year, provided the criteria in Section 33.29.4(B) and (E)respectively, are met. During the first Term Year, the Telephone Company will apply the IDCC based upon IDC Level 1. (N)

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.4 WAMS-VIP Offer Incentive Discounts (Cont'd)

(A) Incentive Discount Commitment (Cont'd)

(2) Application of Incentive Discount Commitment (Cont'd)

Example: After Term Year one (1), the Customer's Achieved Revenue Amount, determined by the Annual True-Up, equals $31,000,000 and the IDC is $27,500,000. Since the Achieved Revenue Amount exceeds the IDC and the Customer has not provided notice to increase the IDC to a new IDC Level, the Telephone Company would apply the IDCC, and Portability Incentives in Term Year two (2), based on the Customer's IDC of $27,500,000.

(3) Notwithstanding the above, Incentives shall not be applied unless and until the Customer is current in paying (or properly disputing) all invoices submitted for payment by the Telephone Company for billed, recurring revenue for Qualified Access Services in accordance with F.C.C. No. 1, Section 2.

(B) Incentive Discount Commitment Credit for Qualified Access Services

For each Term Year, the Customer will be eligible for an "Incentive Discount Commitment Credit" (IDCC) according to Table B, per sub-section (1) below.

Table B

IDC Level	IDC	IDCC
1	$ 27,500,000	$ 2,475,000
2	$ 30,000,000	$ 3,000,000
3	$ 32,500,000	$ 3,900,000
4	$ 35,000,000	$ 4,900,000
5	$ 37,500,000	$ 5,625,000
6	$ 40,000,000	$ 6,800,000
7	$ 42,500,000	$ 8,500,000

(N)

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.4 WAMS-VIP Offer Incentive Discounts (Cont'd)

(B) Incentive Discount Commitment Credit for Qualified Access Services (Cont'd)

(1) Application of Incentive Discount Commitment Credit

(a) The Telephone Company will apply the IDCC to the Customer's bill(s) for Qualified Access Services in those Term Years for which the Customer qualifies for the IDCC per Section 33.29.4(A),as follows: One-quarter of the IDCC will be applied thirty (30) days in arrears from the end of the first, second, third and fourth quarters of the Term Year, based on the IDCC determined under Section 33.29.4(B)(1)(b)and 33.29.4(B)(1)(c) below.

(b) The IDCC applied during the four (4)quarters of Term Year one (1) shall be based upon IDC-Level 1.

(c) The IDCC applied during the four (4) quarters for Term Years two (2) through seven (7) will be based upon the IDC-Level determined using the IDC established in Section 33.29.4(A).

(N)

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.4 WAMS-VIP Offer Incentive Discounts (Cont'd)

(C) Incentive Discount for SONET Services

(1) SONET Services Renewals:

Upon submission of the LOS, thirteen (13) of Customer's existing OC-48 SRAS are renewed for eighty-four (84) months concurrent with the Term Period.

(a) The pricing for the thirteen (13) OC-48 SRAS shall be a flat monthly recurring rate of $372,758 during the Term Period.

(b) If the Customer requests additional ports, nodes, miles or other OC-48 SRAS services not in service at the time the Customer subscribes to this Contract Offer No. 29, the Customer will pay the tariff rates for those additions as contained in F.C.C. No. 1, Section 33.29.4 (C)(2) Table D.

(c) If a node is added to the OC-48 SRAS, the new node will be co-terminus with the initial Term Period. However, if a node is added during the last twelve (12) months or less of the Term Period, the Customer will be billed the node MRC for a minimum period of twelve (12) months.

(d) If the Customer requests modifications to the OC-48 SRAS covered under this Contract Offer No. 29, the Customer will pay the Telephone Company time and material charges for each Customer request, as described in F.C.C. No. 1, Section 13. Modification of the existing OC-48 SRAS network design are limited to: rearrangement of existing ports, shelf arrangements, node moves, ring design provisioning changes and customer premise rearrangements. (N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.4 WAMS-VIP Offer Incentive Discounts (Cont'd)

(C) Incentive Discount for SONET Services (Cont'd)

(1) SONET Services Renewals: (Cont'd)

(e) Customer may at any time upgrade any one of the renewed OC-48 SRAS(s) to a higher speed service, without incurring termination liability charges, providing the following criteria are met:

(i) The aggregate of the monthly payments of the upgraded service over the term of such service ("Upgrade Service Revenue Value") must be equal to or greater than the aggregate of the monthly payments of the remaining Term Period ("Existing Service Revenue Value"). The Existing Service Revenue Value MRC must be equal to $28,670 per OC-48 SRAS;

(ii) If the Upgrade Service Revenue is less than the Existing Service Revenue Value, the Customer may make a one-time payment equal to the difference between the Upgrade Service Revenue and the Existing Service Revenue Value. This payment must be made before the Telephone Company begins work on the requested upgrade; or

(iii) The Customer must notify the Telephone Company in writing of its desire to convert to the upgraded service. The Telephone Company will terminate the requested OC-48 and termination liability charges as determined in accordance with Section 33.29.4(C)(1)(f)and(g)below will apply.

(N)

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.4 WAMS-VIP Offer Incentive Discounts (Cont'd)

(C) Incentive Discount for SONET Services (Cont'd)

(1) SONET Services Renewals: (Cont'd)

(f) If the Customer terminates any of the thirteen (13)OC-48 SRAS renewal services before completion of the Term Period for any reason, Customer must pay to the Telephone Company termination liability charges equal $14,335 for the balance of the Customer's eighty-four (84) month Term Period for each terminated OC-48 SRAS.

(g) Termination charges shall become due as of the date of termination and are payable as described in F.C.C. No 1, Section 7.4.16.

Example: Customer terminates two (2) OC-48 SRAS after sixty months (60) months and has twenty-four (24) months remaining in a eight-four (84) month term plan. The termination liability would be calculated as:

$14,335 X 2 X 24 = $688,080 termination liability charge

(N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.4 WAMS-VIP Offer Incentive Discounts (Cont'd)

(C) Incentive Discount for SONET Services (Cont'd)

(2) SONET Services New:

The Customer is eligible for "Incentive Discount Pricing", as set forth in Table C, D and E below, under this Contract Offer No. 29 towards the purchase of new SONET Services with a seven (7) year term (SONET-Incentive Discounts). All terms and conditions for the new SONET Services are governed by their respective tariff sections:

Table C

OC-192 Dedicated Ring	USOC	MRC
OC-192 Node (Per Node)	GP5AX	$ 14,120.00
	GP5AA	$ 12,560.00
	GC5AX	
Additional Add/Drop Capability, Per Arrangement	MXRGX	$ 3,200.00
Optical to Electrical	MXJGX	$ 1,600.00
Mileage, Per Mile OC-192	IL5XX	$ 176.00
Ports - DS3 at OC-192 Node	S9QGX	$ 88.00
Ports - OC3 at OC192 Node	S9NGX	$ 108.00
Ports - OC12 at OC192 Node	S9NGX	$ 288.00
Ports - OC48 at OC192 Node	S9NGX	$ 720.00

(N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.4 WAMS-VIP Offer Incentive Discounts (Cont'd)

(C) Incentive Discount for SONET Services (Cont'd)

(2) SONET Services New: (Cont'd)

Table D

OC- 48 SRAS	USOC	MRC
Customer Premise Node	FP5XC	$ 3,720.00
Central Office Node	FH5XC	$ 2,960.00
Customer Provided Node	FJ5XC	$ 640.00
DS3 Ports @ OC-48	FP6BX	$ 120.00
Mileage (0-10 Miles)	IL5XX	None
Mileage (over 10 Miles)	IL5XX	$ 400.00

Table E

OC- 12 SRAS	USOC	MRC
Customer Premise Node	FP5XC	$ 1,700.00
Central Office Node	FH5XC	$ 1,402.50
Customer Provided Node	FJ5XC	$ 595.00
DS3 Ports @ OC-48	FP6BX	$ 127.50
Mileage (0-10 Miles)	IL5XX	None
Mileage (over 10 Miles)	IL5XX	$ 212.50

(N)

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.4 WAMS-VIP Offer Incentive Discounts (Cont'd)

(D) Incentive Discount for WinBack Services

If the Customer elects to obtain Qualified Access Service(s) located in MSAs where the Telephone Company has been granted pricing flexibility within the Operating Territory, in place of access service(s) that is provided by a carrier other than the Telephone Company or one of its affiliates, the Customer will receive a one-time credit equal to twenty percent (20%) of the first twelve (12) months billed, recurring revenue for that new Qualified Access Service (WinBack Incentive).

This WinBack Incentive credit will be applied in addition to the Incentives described in Sections 33.29.4(B), (C) and (E).

(1) Eligibility Criteria for WinBack Incentive

(a) The Customer must present reasonable and verifiable information, which includes but is not limited to circuit detail or coordinated move orders, to demonstrate the service being converted is currently being provided by a carrier other than the Telephone Company or its affiliates; and

(b) The new Qualified Access Service(s) ordered must have a minimum term period of twelve (12) months for DS1 and DS3 orders and thirty-six (36) months for SONET services.

(N)

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.4 WAMS-VIP Offer Incentive Discounts (Cont'd)

(D) Incentive Discount for WinBack Services (Cont'd)

(2) Application of WinBack Incentive

(a) The Telephone Company will apply the credit to the Customer's bill(s) for Qualified Access Services that follows the end of the initial twelve (12) month period, thirty (30) days in arrears, as follows:

(i) When the Telephone Company and Customer have identified the start date for the term period of the WinBack Qualified Access Service in an authorization letter, the initial twelve (12) month period will be the twelve (12) month period commencing on that start date; or,

(ii) When the start date for the term period of the WinBack Qualified Access Service is established by the completion of an access service order, the initial twelve (12) month period will be the twelve (12) month period commencing on the day the access service order is completed. (N)

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.4 WAMS-VIP Offer Incentive Discounts (Cont'd)

(E) DS3 Portability Incentive

The Portability Incentive waives termination liability charges that would otherwise be assessed to the Customer for moves of DS3 Qualified Access Services.

This Portability Incentive is in addition to the Incentives described in Sections 33.29.4(B),(C), and (D).

(1) Eligibility Criteria for DS3 Portability Incentive

The following criteria must be met in order to receive the Portability Incentive:

(a) Customer's DS3s must meet the Minimum Period requirements, as established under F.C.C. No. 1, Section 7.4.4 at the previous location;
(b) The term period of the new circuit must be equal to, or greater than, the remaining term of the disconnected circuit; and
(c) The disconnect service and new service must be within the Operating Territory.

(2) Semi-Annual Review of Disconnect Access Service Orders

If Customer qualified for the Portability Incentive as set forth in Section 33.29.4(A) but cumulative "disconnect" access service orders exceeded "add" access service orders during the Term Year, as measured on a semi-annual basis, the Customer will be assessed termination liability charges on the sum difference between the cumulative disconnect and add access service orders. (N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.5 WAMS-VIP Annual True-Up

(A) An annual true-up calculation is performed after each Term Year ("Annual True-Up") to establish whether:

(1) Customer maintained the Baseline MARC during that Term Year; and

(2) Customer met or exceeded the IDC.

For the purposes of the Annual True-Up calculations, the Customer's billed, recurring revenue for Qualified Access Services during the Term Year will constitute the Customer's "Achieved Revenue Amount."

(B) Annual True-Up Calculations

(1) Baseline MARC Annual True-Up:

The Telephone Company will determine whether the Customer's Achieved Revenue Amount meets, exceeds or falls below the Baseline MARC.

(a) If Customer's Achieved Revenue Amount falls below the Baseline MARC, the Customer may pay the difference between the Baseline MARC and the Achieved Revenue Amount (Shortfall Payment).

(i) The Telephone Company will notify the Customer within thirty (30) days of the end of the Term Year of any Shortfall Payment.

(ii) Customer must make the Shortfall Payment within thirty (30) days after receiving notification from the Telephone Company.

(iii) The following Term Year's IDC and IDCC will be determined as set forth in Section 33.29.4(A)and(B). (N)

(This page filed under Transmittal No. 173)

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.5 WAMS-VIP Annual True-Up (Cont'd)

(B) Annual True-Up Calculations (Cont'd)

(1) Baseline MARC Annual True-Up: (Cont'd)

Example of Baseline MARC Annual True-Up:

If Customer's Achieved Revenue Amount in Term Year 5 is $27,000,000, the Baseline MARC of $27,500,000 has not been met. Customer may choose to pay the difference of $500,000 (27,500,000 - 27,000,000), in order to avoid termination liability charges.

(b) If Customer's Achieved Revenue Amount falls below the Baseline MARC for any given Term Year, and the Customer does not make the Shortfall Payment, this Contract Offer Subscription shall terminate and termination liability charges will apply, as described in Section 33.29.8(A). (N)

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.5 WAMS-VIP Annual True-Up (Cont'd)

(B) The Annual True-Up Calculations (Cont'd)

(2) IDCC Annual True-Up:

The Telephone Company will determine whether the Customer's Achieved Revenue Amount meets, exceeds or falls below the IDC.

(a) If the Customer's Achieved Revenue Amount meets or exceeds the IDC, the Telephone Company will determine the IDCC for the following Term Year and the quarterly credits, for that following Term Year, will be applied as set forth in Section 33.29.4(B)(1).

(b) If the Customer's Achieved Revenue Amount falls below the IDC, the Customer may pay the difference between the Achieved Revenue Amount and the IDC ("Make-Up Payment") to be eligible for IDCC for the following Term Year as detailed below.

(i) The Telephone Company shall notify the Customer within thirty (30) days of the end of the Term Year of any Make-Up Payment.

(ii) Customer shall pay the Make-Up Payment within thirty (30) days after receiving said notification from the Telephone Company.

(iii) The following Term Year's IDCC will be determined as set forth in Section 33.29.4(B).

(iv) If the Customer chooses not to make the Make-Up Payment, no IDCC payments will be made to the Customer for the following Term Year.

Example of IDCC Annual True-Up:

If the Achieved Revenue Amount for Term Year 3 is \$33,000,000 and the IDC is \$30,000,000, the Earned IDCC for Term Year 4 would be \$3,000,000, unless the Customer increased the applicable IDC as provided in Section 33.29.4(A).

(N)

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.6 WAMS-VIP Offer Merger/Acquisitions

(A) Assignment/Successors

(1) If the Customer wishes to assign or transfer its rights and obligations under Contract Offer No. 29 ("Contract Offer Subscription"), the Telephone Company will permit such transfer or assignment if the criteria in F.C.C. No. 1 Sections 2.1.2 are fulfilled, unless the proposed assignee or transferee demonstrates a lack of credit worthiness under any of the criteria in (a), (b) or (c) below, or if the assignee or transferee or its parent, has commenced or had initiated against it a voluntary receivership or bankruptcy proceeding.

(a) Any debt of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than 50% of the equity of the proposed assignee or transferee) are rated below investment grade as defined by the Securities and Exchange Commission or;

(b) If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by a rating organization for a possible downgrade or;

(c) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies (e.g., Standard and Poor's) but does have a Dun and Bradstreet rating and the proposed assignee or transferee is rated:

(i) Fair or below in a composite credit appraisal published by Dun and Bradstreet or;

(ii) High risk in a Paydex score as published by Dun and Bradstreet. (N)

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.6 WAMS-VIP Offer Merger/Acquisitions (Cont'd)

(A) Assignment/Successors (Cont'd)

(2) The terms and conditions of the Contract Offer No. 29 shall continue in full force and effect if the Customer merges with, acquires, is acquired by, or sells all or substantially all its stock or assets to any other entity (Transfer). After a Transfer, if the other entity also purchases Qualified Access Service(s) from the Telephone Company, either directly or through any affiliates, the Customer shall not include under the Contract Offer Subscription any of the billed, recurring revenue for the Qualified Access Services of the other entity in place as of the date the Transfer is finalized (Transfer Date), except as may be provided below.

Notwithstanding the foregoing, the Customer may choose, at its discretion, one of the options set forth in subsections (i)-(iii) below (Options), within the time period that is between twelve (12) months and twenty-four (24) months after the Transfer Date.

To exercise an Option, the Customer must send written notice to the Telephone Company within the time period described above stating which Option the Customer selects. The date that the Customer sends that written notice shall be the "Option Exercise Date". None of the Options shall alter in any way the terms or conditions of any contract or tariff pursuant to which the other entity obtains Qualified Access Services from the Telephone Company, including but not limited to any terms or conditions related to termination.

Option (i): The Customer and Telephone Company shall recalculate the Baseline MARC, IDC and IDCCs (Key Numbers) for the period from the Option Exercise Date to the end of the Term Period, to allow for the combined billed, recurring revenues for Qualified Access Services of the Customer and the merged or acquiring company to be covered under the Contract Offer Subscription, provided the following conditions are met: (N)

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.6 WAMS-VIP Offer Mergers/Acquisitions (Cont'd)

(A) Assignment/Successors (Cont'd)

(2)(Cont'd)

Option (i): (Cont'd)

(a) One hundred percent (100%) of the total combined billed, recurring revenues for Qualified Access Services of Customer and the other entity must be included in the Contract Offer Subscription;

(b) The Baseline MARC will be adjusted according to the following formula:

The Baseline MARC will be equal to one hundred percent (100%) of the other entity's billed, recurring revenues for Qualified Access Services for the three (3) months immediately preceding the Option Exercise Date multiplied by four (4) plus 27,500,000. This shall be the "Combined Baseline MARC";

(c) The IDC for the remainder of the then-current Term Year will be adjusted according to the following formula:

The IDC will be equal to one hundred percent (100%) of the other entity's actual billed, recurring revenues for Qualified Access Services for the three (3) months immediately preceding the Option Exercise Date multiplied by four (4) plus the Customer's current IDC. This shall be the "Combined IDC"; (N)

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.6 WAMS-VIP Offer Mergers/Acquisitions (Cont'd)

(A) Assignment/Successors (Cont'd)

(2)(Cont'd)

Option (i): (Cont'd)

(d) The IDC will be adjusted according to the following formula:

The Option 1 multiplier ("Option 1 Multiplier"), which equals the ratio of the Combined IDC to the Customer's current IDC, will be applied to the IDCCs associated with the IDC Levels that are available to the Customer, as defined in Section 33.29.4.

Example:
IDC = $32,500,000
Current IDCC Level = 3

New Entity Revenue = $25,000,000

Combined IDC = $57,500,000
($32,500,000 plus $25,000,000)

Option 1 Multiplier = 1.8
($57,500,000/$32,500,000)

(e) The IDCCs amounts will be adjusted according to the following formula:

The Option 1 Multiplier will be applied to the IDCC associated with the IDCC Levels which remain available to the Customer in order to determine the Combined IDCC.

Example:
IDC = $32,500,000
Current IDC-Level = 3
IDCC = $3,900,000

New Entity Revenue = $25,000,000
Combined IDC = $57,500,000
($32,500,000 plus $25,000,000)

Option 1 Multiplier = 1.8
($57,500,000/$32,500,000)

Combined IDCC = $7,020,000 (N)
($3,900,000 multiplied by 1.8)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.6 WAMS-VIP Offer Mergers/Acquisitions (Cont'd)

(A) Assignment/Successors (Cont'd)

(2)(Cont'd)

Option (i): (Cont'd)

(f) The Customer must have at least forty-eight (48) months remaining in the Term Period under the Contract Offer Subscription or, if less than forty-eight (48) months are remaining in the Term Period under the Contract Offer Subscription, the Term Period shall be automatically extended so that the terms and conditions of Contract Offer No. 29 remain in effect for forty-eight (48) months after the Option Exercise Date; and

(g) The Telephone Company will recalculate the Key Numbers within sixty (60) days of the Option Exercise Date with no credits being applied to the Customer's bill(s) during this sixty (60) day period. Starting with the remaining quarters, the combined Key Numbers will be used to determine applicable IDCC amounts.

(1) If the Option Exercise Date falls within the 1st, 2nd or 3rd quarter of the respective Term Year, the initial credit application of any eligible Combined IDCC will occur thirty (30) days after the Key Numbers are determined or thirty (30) days in arrears of the end of the quarter, whichever is later; or

(2) If the Option Exercise Date falls within the fourth quarter of the respective Term Year, the initial credit application of any eligible Combined IDCC will occur thirty (30) days after the Key Numbers are determined or sixty (60) days in arrears of the end of the quarter, whichever is later.

Option (ii): The Customer and Telephone Company shall endeavor to negotiate new Key Numbers for the period from the Option Exercise Date to the end of the Term Period, to allow for the combination of the billed, recurring revenues for Qualified Access Services of the Customer and the merged or acquiring company to be covered under this Contract Offer Subscription provided the following conditions are met: (N)

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.6 WAMS-VIP Offer Mergers/Acquisitions (Cont'd)

(A) Assignment/Successors (Cont'd)

(2)(Cont'd)

Option (ii): (Cont'd)

(a) The Customer and Telephone Company shall each identify a team (composed of business and network subject matter experts) which shall negotiate new Key Numbers in good faith;

(b) If these discussions do not result in mutual agreement on new Key Numbers within sixty (60) days of the date of the Option Exercise Date, either Customer or Telephone Company may provide written notice to the other requesting that each party appoint a knowledgeable, responsible representative(s) to meet and negotiate in good faith to agree upon new Key Numbers. The Customer and Telephone Company intend that these negotiations be conducted by non-lawyer, business representatives. The location, form, frequency, duration and conclusion of these discussions shall be left to the discretion of the representatives;

(c) The Customer and Telephone Company shall endeavor to reach agreement upon the new Key Numbers within one hundred twenty (120) days of the Option Exercise Date; and

(d) If the Customer and Telephone Company cannot mutually agree upon new Key Numbers within timelines outlined above, and the Customer does not wish to continue according to the rates terms and conditions of this Contract Offer Subscription, the Customer may terminate the Contract Offer Subscription by giving thirty (30) days written notice to the Telephone Company. Upon such termination, the Telephone Company shall bill the Customer, and the Customer shall pay to (N)
the Telephone Company, termination liability charges as described below:

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.6 WAMS-VIP Offer Mergers/Acquisitions (Cont'd)

(A) Assignment/Successors (Cont'd)

(2) (Cont'd)

Option (ii): (Cont'd)

(d)(Cont'd)

(1) For termination that occurs between twelve (12) and twenty-four (24) months after the Effective Date, eighty percent (80%) of all IDCC provided to the Customer pursuant to this Contract Offer No. 29; or

(2) For termination that occurs after the first twenty-four (24) months after the Effective Date, fifty percent (50%) of all IDCC provided to the Customer pursuant to this Contract Offer No. 29.

Option (iii): The Contract Offer Subscription shall be terminated as set forth in Section 33.29.8(A). (N)

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.6 WAMS-VIP Offer Mergers/Acquisitions (Cont'd)

(B) Sale of Markets

If Customer is required by a regulatory agency to divest any markets, market spectrum or customers ("Divested Market") in connection with a Transfer, the Customer can request that Key Numbers be recalculated by the Telephone Company. The Customer must send written notice to the Telephone Company within sixty (60) days of completing a market divestiture. The date the Customer sends that written notice shall be the "Divestiture Notice Date". The Telephone Company will recalculate the Key Numbers as described below:

(1) The Baseline MARC, IDC and IDCC amounts will be reduced by either of the following methods, at the Customer's discretion ("Divested Revenue"):

(a) One hundred percent (100%) of the Divested Market's billed, recurring revenues for Qualified Access Services for the three (3) months immediately preceding the notification multiplied by four (4); or

(b) A revenue amount that is less than the amount determined under subparagraph (a) above. (N)

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.6 WAMS-VIP Offer Mergers/Acquisitions (Cont'd)

(B) Sale of Markets(Cont'd)

(2) The IDCCs will be reduced according to the following steps:

Step 1.

Determine the impact on total revenue by calculating the "Divestiture Percentage". The Divestiture Percentage is the percent change between the Pre-Divest and Post-Divest revenues. The "Pre-Divest Revenue" equals 100% of the Customer's billed, recurring revenues for Qualified Access Services for the three (3) months immediately preceding the Divestiture Notice Date multiplied by four (4) or the Baseline MARC, whichever is greater. The "Post-Divest Revenue" equals Pre-Divest Revenue minus the Divested Revenue from (B)(1).

Example:
Pre-Divest Revenue = $37,900,000
Divested Revenue = $2,900,000
Post-Divest Revenue = $35,000,000
($37,900,000 - $2,900,000)

Divestiture Percentage = 8%
(1-($35,000,000/$37,900,000))

(N)

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.6 WAMS-VIP Offer Mergers/Acquisitions (Cont'd)

(B) Sale of Markets (Cont'd)

(2)(Cont'd)

Step 2.

The Divestiture Percentage will equal the percent reduction in the IDCs and IDCCs which remain available to the Customer.

Example:
IDCC-Level equals 5
Divestiture % = 8%

Reduced IDC = $34,500,000
($37,500,000 – ($37,500,000 X .08))

Reduced IDCC = $5,175,000
(5,625,000 – (5,625,000 X .08))

(3) The Telephone Company will recalculate the Key Numbers within sixty (60) days of the Divestiture Notice Date. The recalculated Key Numbers will become effective once the Divested Market's billed, recurring revenues for Qualified Access Service are no longer being billed to the Customer ("Divestiture Effective Date"). Starting with the remaining quarters of the Term Year as of the Divestiture Effective Date, the recalculated Key Numbers will be used to determine the applicable IDCC.

(a) If the Divestiture Effective Date falls within the 1st, 2nd or 3rd quarter of the respective Term Year, the initial credit application of any eligible Reduced IDCC will occur thirty (30) days after the Key Numbers are effective or thirty (30) days in arrears of the end of the quarter, whichever is later; or, (N)

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.6 WAMS-VIP Offer Mergers/Acquisitions (Cont'd)

(B) Sale of Markets (Cont'd)

(3) (Cont'd)

(b) If the Divestiture Effective Date falls within the fourth quarter of the respective Term Year, the initial credit application of any eligible reduced IDCC will occur thirty (30) days after the Key Numbers are determined or sixty (60) days in arrears of the end of the quarter, whichever is later.

33.29.7. WAMS-VIP Cell-Site Performance – Credits

(A) Description

Cell-Site Performance Improvement Credits are available to the Customer based upon the quality of service delivered during the Term Period, as set forth in subparagraph (2) below. The credits will be granted in the event that the Telephone Company's Contract Offer No. 29 service performance level objectives for cell-site DS1 Qualified Access Services are not met.

(1) The DS1 Qualified Access Services cell-site performance level parameters will be based on DS1 Percentage of Network Availability. The DS1 Percent of Network Availability will be calculated by determining the actual hours that the cell-site DS1 circuits are in service during a given month compared to the total expected availability, and then aggregating those total hours over the course of a Term Year.

Example:

If a Customer had 100 circuits in service at the end of January and 110 at the end of February, their total hours of expected availability would be (31 days times 100 circuits, times 24 hours) plus (28 days, times 110 circuits, times 24 hours) or 148,320. This would be the denominator of the network availability equation.

(N)

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.7 WAMS-VIP Cell-Site Performance – Credits (Cont'd)

(A) Description (Cont'd)

(1) Example: (Cont'd)

The numerator would be the total hours of outage based upon measured tickets reported to the Telephone Company subtracted from the 148,320. If there were eight (8) reported failures averaging 3.5 hours per outage, the total hours of outage would be equal to twenty-eight (28). The resulting availability equation for those two (2) months will be ((148,320-28)/148,320) or 99.981%. A twelve (12) month aggregation using the same process as noted for two (2) months will be used to determine annual percent availability for a Customer.

(2) Table F below provides cell-site service performance targets, based on DS-1 Percentage of Network Availability, for each Term Year.

Table F

Term Year	% Network Availability
1	99.9800%
2	99.9840%
3	99.9877%
4	99.9900%
5	99.9900%
6	99.9900%
7	99.9900%

(B) At the Annual True-Up, if the Telephone Company annual results fail to meet the performance target, as specified in Table D above, and the Customer has met the Baseline MARC, the Telephone Company will provide credits and services as follows: (N)

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.7 WAMS-VIP Cell-Site Performance – Credits (Cont'd)

(B)(Cont'd)

(1) The Telephone Company will apply one hundred dollars ($100) in special construction credits for each measured trouble ticket reported to the Telephone Company during the Term Year for cell-site improvements. The special construction credits will be used to improve performance at mutually agreed upon Customer's cell sites that are performing below the DS-1 Percentage of Network Availability as specified in Table D above.

For example: special construction credits can be used to offset the cost of replacing copper with fiber at non-performing cell-sites; and,

(2) The Telephone Company will provide Customer the ability to purchase Automatic Loop Transfer service at twenty-five percent (25%) discount off the monthly recurring rates described in F.C.C. No. 1, Section 31.5.2 for those cell sites that fail to meet the performance target, as specified in Table D above.

33.29.8 Termination

The Customer's subscription to this Contract Offer No. 29 shall terminate if Customer gives notice to Telephone Company, as set forth in the following paragraph, and as set forth in other sections of this Contract Offer No. 29.

The termination liability charges described below shall apply if termination occurs because the Customer does not make a Shortfall Payment as described in Section 33.29.5(B)(1) and/or the Customer elects to terminate its subscription to Contract Offer No. 29 for reasons other than described in Section 33.29.6 (2)(A)option(ii)(4) and/or 33.29.8(B).

If the Customer elects to terminate its Contract Offer Subscription during the Term Period, written notification must be provided to the Telephone Company indicating the Customer's intention to terminate its Contract Offer Subscription. This notification must include the date upon which the Customer wishes to terminate its Contract Offer Subscription.

(N)

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.8 Termination (Cont'd)

(A) Termination Liability

Termination liability charges will consist of the sum of the following:

(1) Ten percent (10%) of the Baseline MARC divided by twelve (12)) then multiplied by the number of months remaining in the Term Period; plus
(2) Repayment of the IDCC, given under Contract Offer No. 29 during the three (3) quarters preceding the termination date.

Example:

Customer with a Baseline MARC of $27,500,000 and an IDC of $32,500,000 terminates its Contract Offer Subscription after forty-eight (48) months and with thirty-six (36) months remaining in the eighty-four (84) month Term Period, and the Customer received IDCC $2,925,000 for the previous three quarters before termination. The termination liability charges would be:

(($27,500,000/12) X 10% X 36) + ($2,925,000) = $11,174,999 termination liability charge.

(B) Rate Reductions

If the tariffed rates for the Qualified Access Services are reduced by a cumulative total of twenty percent (20%) from the tariffed rates in effect as of the Effective Date (Initial Tariff Rates), either party may terminate the Contract Offer Subscription by providing a sixty (60) day written notice to the other party. Termination liability charges will not apply.

(N)

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.8 Termination (Cont'd)

(B) Rate Reductions (Cont'd)

To determine whether the 20% rate reduction has been met or exceeded, the Telephone Company shall perform an analysis within sixty (60) days following the Effective Date that details the Customer's inventory of Qualified Access Services and the Initial Tariff Rates (Initial Rate Analysis.)

Example: DS1-Initial Rate Analysis

Product Category/ Description	State	Zone	Term	Rate	Units	Total
DS1 - Channel Termination (CT)	CA	2	36	$25.00	4,000	$100,000
DS1 - Channel Mileage (CM-Fixed)				$21.00	1,600	$33,600
DS1 - Channel Mileage (CM-Per Mile)				$16.40	1,000	$16,400
DS1 Total					6,600	$150,000

(N)

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

32.29.8 Termination (Cont'd)

(B) Rate Reductions (Cont'd)

Telephone Company shall also perform a similar exercise within sixty (60) days following each Term Year detailing the Customer's inventory from the Initial Rate Analysis and the end-of-year tariff rates (EOY Rate Analysis). The Customer and Telephone Company will then compare the Initial Rate Analysis to the EOY Rate Analysis to identify the percent change in the total, cumulative rates, if any.

Example: Initial Rate Analysis and EOY Rate Analysis Comparison

Product Category	Units	Initial Tariff Rates	EOY Tariff Rates	% Rate Change
DS1	6600	$150,000	$122,000	
DS3	2000	$ 90,000	$ 70,000	
SONET	N/A	N/A	N/A	
Total	8600	$240,000	$192,000	20%

20% = (1-($192,000/$240,000))

The quantity of units for each product category used in the Initial Rate Analysis and the EOY Rate Analysis will be calculated from the Qualified Access Service rate elements listed below:

(1) DS1 – Channel Terminations (CT), Channel Mileage (CM) fixed and Channel Mileage (CM) per mile;

(2) DS3 – CT, CM fixed, CM per mile and Multiplexing (MUX); and

(3) SONET – Not applicable. Existing rings are covered under flat-rate pricing, per Section 33.29.4.(C).

(N)